

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advanced Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
)	

To: The Federal Communications Commission

COMMENTS OF CTIA-THE WIRELESS ASSOCIATION®

I. INTRODUCTION

CTIA-The Wireless Association® (“CTIA”) submits these comments in response to the Commission’s Further Notice of Proposed Rulemaking (“FNPRM”) regarding reforms to the Lifeline and Link Up universal service low-income programs.¹ CTIA’s members, as providers of Lifeline services to millions of consumers, share the Commission’s interest in modernizing the low income universal service program to meet consumer needs in a cost-effective and responsible manner. To complete the framework set forth in the *Lifeline Reform Order*, CTIA urges the Commission to take several additional steps that will bring the most benefit to Lifeline subscribers while minimizing the burdens on providers. In particular, CTIA supports the development, through a collaborative process, of an integrated national database to address duplicate and eligibility issues that includes the relevant federal, state, and local government programs. Further, the Commission should maintain its current commitment to flexible, market-driven policies for the determination of

¹ *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, ¶¶ 399-506 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

Lifeline service offerings, including provider decisions on whether to make specific bundled offerings available to Lifeline customers. Finally, the Commission should adopt a uniform Lifeline support rate, which will create strong incentives for providers to expand and innovate in their service offerings, thereby maximizing consumer choice and benefit.

II. CTIA SUPPORTS THE EXPEDITIOUS AND COLLABORATIVE DEVELOPMENT OF A NATIONAL CONSUMER ELIGIBILITY DATABASE

CTIA commends the Commission for its commitment to adopt an automated means to determine Lifeline eligibility by 2013.² Automating the eligibility determination functions will strengthen program administration and simplify the eligibility determination process. A national eligibility database promises to provide a more accurate and efficient approach to providing support to eligible consumers by assigning program functions to the parties who are best able to perform them.

CTIA strongly supports a national, automated database, and is committed to working with the Commission to develop solutions to these technical and practical challenges. The Commission has signaled that it intends to move quickly in developing automated solutions to duplicate subscriptions and eligibility issues.³ CTIA believes that the central goal of these efforts should be the development of a single, integrated interface for Lifeline providers to access when determining eligibility and checking for duplicate service. This approach will avoid some of the detriments of the current system, whereby every eligible telecommunications carrier (“ETC”) is required to act as an independent verification agency and navigate a patchwork of state processes and systems. For many ETCs, these responsibilities are

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² See *id.* ¶¶ 97, 223 & 403.

³ *Id.* ¶ 403.

fundamentally different from their core functions as telecommunications carriers, and it would be unnecessarily costly and difficult to require ETCs to connect with every individual database associated with each state and local government program.

While CTIA supports state efforts to provide greater access to their eligibility determinations, the Commission should seek to link those efforts through a single national interface for Lifeline providers, rather than forcing each provider to replicate the same connections. CTIA believes this eligibility database – or interface – can be deployed in a timely manner, and that the Commission’s efforts should be focused on achieving this comprehensive solution in the near term.⁴ Requiring each individual ETC to connect with each different program’s database would be costly, and would inject an unnecessary degree of complexity into the process for both ETCs and social welfare agencies.

In addition, while CTIA agrees with the FCC’s initial focus on the three programs that form the basis for most Lifeline eligibility (*i.e.*, Supplemental Nutrition Assistance Program (SNAP), Medicaid, and Supplemental Security Income (SSI)), the Commission should also seek to develop an automated interface to verify eligibility for the remainder of the programs. The *Lifeline Reform Order* directs that the database should be sufficiently flexible so it can be enhanced at minimal cost;⁵ thus, adding the remaining current programs to the database should not involve changes to the database itself.

Moreover, the Commission should exercise care not to exacerbate the current challenges to determining eligibility. Before the Commission adds to the list of programs that form the basis for Lifeline eligibility, the Commission should develop a plan for obtaining electronic access to participation data for the new programs, rather than placing that burden on the private sector. The

⁴ An eligibility database based on information from state and local governments also will comply with the Stored Communications Act ("SCA"), 18 U.S.C. § 2701 *et seq.* (*See id.*, at ¶ 219).

⁵ *Id.* ¶ 222.

Commission also should clarify that, as it incorporates any new eligibility programs, Lifeline providers will have the option to use the automated interface or conduct their own “full verification” for the new programs.

Finally, CTIA believes it is critical that the Commission and USAC engage in a collaborative process with Lifeline providers as they develop a database (and appropriate interfaces) to address duplicate and eligibility issues.⁶ The challenge of deciding how to design and implement an integrated database is daunting in a number of respects. The FCC, USAC, and the mobile wireless industry gained valuable experience through the collaborative development of the interim duplication resolution process. The Commission should take advantage of that expertise and follow a similar model of close coordination as it seeks to develop the permanent duplicate resolution database and a national eligibility database.

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III. APPLICATION OF LIFELINE FUNDS TO BUNDLED SERVICES SHOULD BE ALLOWED ON A DISCRETIONARY BASIS, NOT A MANDATORY BASIS

In the *Lifeline Reform Order*, the Commission embraced a flexible policy that allows ETCs to decide whether to apply the Lifeline discount to bundled packages that include voice service along with other services.⁷ This policy makes sense in light of the current technological climate and the service offerings of ETCs. However, the Commission should refrain from adopting a rule mandating that ETCs make all of their bundled service offerings containing a voice component available to Lifeline customers.

⁶ See *id.* ¶ 97, n.264.

⁷ *Id.* ¶ 315.

The Commission historically has pursued a successful policy of letting the marketplace determine the scope of Lifeline offerings, and increased competition has caused those offerings to proliferate.

There is no suggestion that Lifeline customers are not receiving a choice of offerings and thus no reason to switch to a more prescriptive policy now. Just as

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competition has led to widespread adoption and consumer satisfaction with wireless services generally, CTIA urges the Commission to continue to rely on competition as the primary strategy for improving and expanding low-income programs. An increasing number of Lifeline providers are entering the market, putting pressure on ETCs to ensure that they offer the packages of services that Lifeline consumers demand.

Moreover, it makes little sense to consider a prescriptive rule until there has been a chance to evaluate the effects of the discretionary application.⁸ There are many new policies relevant to the application of Lifeline discounts implemented in this Order, and it is prudent to wait and explore the experiences of ETCs with the initial bundled service offerings. For all these reasons, the Commission should continue to rely on a voluntary framework for applying Lifeline support amounts to bundled service packages.

IV. LIFELINE SUPPORT RATES SHOULD BE UNIFORM ACROSS ALL PROVIDERS AND FACILITATE CONSUMER CHOICE AMONG SERVICE OFFERINGS

The *Lifeline Reform Order* correctly recognized that a “tiered” Lifeline support structure tied to the ILEC subscriber line charge makes little sense in the current environment. CTIA

⁸ *Id.* ¶ 490.

therefore commends the Commission for adopting a flat rate for Lifeline reimbursement.⁹ The elimination of the tiered approach reduces confusion for ETCs and consumers, as well as relieving administrative burdens and reducing costs. A competitively- and technologically-neutral flat rate methodology reflects current marketplace conditions and the structure of the Lifeline program, and should remain in place as the appropriate mechanism for determining support.

In the *Lifeline Reform Order* the Commission declined to distinguish between fixed and mobile services in ensuring availability under its first two performance-based goals, instead allowing customers to choose whichever offering is essential to them.¹⁰ CTIA strongly supports this approach to the Lifeline program. Similarly, as the Commission considers whether to modify the interim support amount, it should not differentiate between the amount of support provided to fixed and mobile voice providers.¹¹ Rather, the same rate should be applied on a technologically-neutral basis across all platforms. Wireless services have become a key part of all consumers' lives, including low-income consumers. As a result, the Commission should adopt a competitively and technologically neutral approach to Lifeline support that empowers consumers to choose among Lifeline services available to them.

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Moreover, maintaining the Commission's long-standing approach of providing uniform support for Lifeline customers will create incentives for providers to develop increasingly robust and innovative services that fit within the subsidy. This approach has promoted competition and innovation in service offerings, and will continue to benefit consumers.

⁹ *Id.* ¶ 463.

¹⁰ *Id.* ¶ 38.

¹¹ *Id.* ¶ 468.

In addition, a uniform subsidy is consistent with the structure of the Lifeline program and is imperative as long as the Commission retains the “one-per-household” rule, which requires Lifeline consumers effectively to choose between wireless and wireline service.¹² The Commission should not place its thumb on the scale in that choice by providing a different amount of support to either technology.

V. CONCLUSION

CTIA urges the Commission to consider these comments as it continues to reform its low-income universal service support programs.

Respectfully submitted,

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¹² *Id.* ¶ 82